

**AGENDA SUMMARY PAGE**  
**CITY COUNCIL MEETING OF: JUNE 6, 2007**

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**DEPARTMENT: CITY MANAGER**

**DIRECTOR: DOUGLAS A. SELBY**

☐ Consent ☒ Discussion

**SUBJECT:**

ADMINISTRATIVE:

ABEYANCE ITEM - Report and possible action related to the Las Vegas Strategic Plan Priorities concerning "Manage cost and revenue resources to achieve efficient operations" and "Support and encourage sustainability, livability and pride in our neighborhoods" - All Wards

**Fiscal Impact**

☒

No Impact

☐

Augmentation Required

☐

Budget Funds Available

**Amount:**

**Funding Source:**

**Dept./Division:**

**PURPOSE/BACKGROUND:**

On December 21, 2005, City Council approved the revised Strategic Plan, which aligns key performance indicators (KPI) to eight strategic priorities. KPIs establish a baseline for implementing the city's strategic plan and allow for data-driven decision making. Since last May, the city of Las Vegas team members have annually reported on key performance indicators to city council. Staff will report on recent KPI accomplishments.

**RECOMMENDATION:**

Receive presentation and direct staff accordingly.

**BACKUP DOCUMENTATION:**

1. Strategic Planning Priorities - Key Performance Indicators
2. Submitted at meeting – Manage Cost and Revenue Resources PowerPoint presentation by staff
3. Submitted after meeting – DVD presentation by staff

Motion made by GARY REESE to Approve

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

BRENDA J. WILLIAMS, LOIS TARKANIAN, LARRY BROWN, OSCAR B. GOODMAN, GARY REESE, STEVE WOLFSON, STEVEN D. ROSS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

Minutes:

CITY MANAGER SELBY introduced MARK VINCENT, Director of Finance and Business Services, and LISA MORRIS, Deputy Director of Neighborhood Services, who would report on

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the respective strategic goals for their departments.

MR. VINCENT gave a PowerPoint presentation, a copy of which is made a part of the minutes, to update the Council on the Key Performance Indicators for his goal, to "manage cost and revenue resources to achieve efficient operations." Overall the cost per capita is steadily rising, mainly due to the cost of providing public safety. The largest area that is non-public safety is general government, and the cost of that has decreased by about 4.9 percent due to more efficiencies brought by business systems; thus, being able to do more with less. The slight increase of about 8 percent in recreation is primarily driven by the added miles of trails in assets.

Referring to the Service Cost Recovery slide, MR. VINCENT indicated that the City recovers costs through enterprise funds, represented in the red, which encompasses those areas that operate like a business and for which a service fee is charged. These funds are consistently recovered in excess of 100 percent, some of which recovery is being driven by revenues generated from rising connection fees.

On the other side of the service cost recovery slide, are the general fund services represented in blue, and that recovery rate has trended downward by about 30 percent, which he better explained by using the general fund service cost recovery slide. In looking at the major categories, for which a partial service fee is charged, the two largest cost-related components are emergency medical response (EMS) and jail services. While fire suppression costs have increased by almost 13 percent, the revenue generated from transports has been fairly constant. With respect to the jail, the cost of operations has increased approximately 10 percent, with a 40 percent decrease in revenue, due to the inability to rent beds to other entities because of the City's additional demand for services.

COUNCILMAN BROWN asked if the citizens group that is conducting an analysis on the overall fire and transport aspect would also be looking at the balance between the cost of transport versus the revenue generated. MR. VINCENT replied that he was not aware of any analysis, but he is aware that the group is looking specifically at how services are delivered and have been asking questions about rates and cost recovery. DEPUTY CITY MANAGER FRETWELL interjected that the committee has been talking about the effectiveness and cost of transport and what the benefits are to the public with Las Vegas Fire and Rescue providing transport services. Also, a part of the AMR franchise indicates a desire to evaluate the EMS service delivery system, and is something CHIEF DAVID WASHINGTON, Las Vegas Fire and Rescue, would like to pursue during this next fiscal year, at which time a more detailed analysis could be conducted on cost recovery and how the duties are divvied up between the private ambulance companies and Fire and Rescue.

COUNCILMAN BROWN mentioned that part of the original purpose for the City to enter into the transport business was to tap into the revenue stream. According to one of the charts, revenue sparked a few years ago. But, given some of the conversations regarding some of the issues in the department and staffing, he would like an analysis done as soon as possible on the revenue stream from the transport side versus what it is costing in resources. DEPUTY CITY MANAGER FRETWELL added that another issue under consideration by the committee is the

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fact that the City's rates do not keep up with approved insurance rates. For the past year, other transport agencies in the Valley have had a significant rate difference from that of the City because the City's insurance does not carry an automatic escalator.

COUNCILMAN BROWN asked if the collections component is a part of the committee's analysis. DEPUTY CITY MANAGER FRETWELL stated that the City is about five points from the industry average, and CHIEF WASHINGTON is working on trying to get back up to the national average rate of about 60 percent. CHIEF WASHINGTON came forward and concurred with the comments of DEPUTY CITY MANAGER FRETWELL regarding his efforts to climb back up to the national average, otherwise the City loses money.

COUNCILMAN BROWN asked if the entire picture is being considered in order to achieve a balance in costs and services, to which CHIEF WASHINGTON responded in the affirmative, adding that Fire and Rescue staff multi-task while AMR is responsible for only one aspect. Also, the City's expenses are higher because of the equipment and the employees, which is why he believes City Fire and Rescue should be seeking 25 percent instead of the current 15 percent of the actual transporting fees, asserting that his staff is prepared to do a lot more.

With the goal of seeking 25 percent of transport, COUNCILMAN BROWN stressed that he is interested in seeing the cost factor involved. Given overcrowdedness in emergency rooms and hospitals, although it has improved somewhat, he would like to know if the City should aggressively seek 25 percent or start looking at the cost involved in that additional 25 percent. CHIEF WASHINGTON advised that both should be done.

MR. VINCENT finished up his presentation by noting that the cost of materials and services slide shows about a 4 percent savings on a base of about \$38 million. This is because the City takes advantage of every opportunity to negotiate pricing whenever possible, including the bid process.

MAYOR GOODMAN asked MR. VINCENT if consideration is being given to moving more toward an enterprise funding concept. MR. VINCENT replied that the Council would have to make the ultimate decision, keeping in mind that creating an enterprise fund would mean that only the users of the services involved would pay the fees; there would be no subsidies. In the case of recreation, it would mean a substantial increase to leagues. Therefore, he recommended looking at both sides of the equation of providing services: What is the cost of providing services? Is there a way to reduce those costs? Is there an opportunity to increase fees? MAYOR GOODMAN requested an analysis on what it would cost, if and why it would be impractical and how the constituents might not benefit.

DR. MORRIS gave an update on the Key Performance Indicators for Strategic Plan Priority No. III, to support and encourage sustainability, livability and pride in the neighborhoods, by showing a videotape presentation, of which a DVD was submitted for the minutes.